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THE DISTRIBUTION OF LABOR IN WAR.

By Edward Gray, Richmond, Va.

There is something that threatens to weaken the action of the United States in the war even more than delay in preparations obviously and directly military. It is industrial inertia, supported by individual selfishness, and by false economic theory.

The war is an industrial contest *a'outrance*, in which there is no such thing as enough material for armies, and no possibility of producing enough to satisfy all of the real needs of the civilian populations that sustain them. There are also peoples or groups whose welfare may not affect the issue of the war, but whom we wish to help in their extremity. Some need almost everything. The widespread scarcity of supplies, almost world-wide, will not be ended by a treaty of peace; it will continue long after the war. At the same time there will be a work of reconstruction and rehabilitation wanted.

The need of this will be extreme in the invaded regions, but in all countries that have taken a large part in the war, and to some extent in neutral countries, the strains and the forced neglects of war will leave much need of repair. The draft on labor and materials will be heavy. We need, then, for an unknown length of time, the utmost possible production of military supplies; and, for a much longer time, the utmost possible production of the articles essential to health, decency and sustained efficiency. We may leave out "psychological necessities" as fit only for the weak-kneed or the weak-minded. Our accomplishment will be nearly proportionate to the amount of labor, properly distributed, that we apply to these ends.

On this point we are in danger of a money-superstition. A currency is depreciated just as really, in effect, by general shrinkage in the volume of purchaseable commodities as by increase of its own volume. We see the purchasing power of our war loans much below normal; it may go a good deal lower; it would disappear when the goods could not be produced. There is no need,

however, to bring finance into the question. Labor and materials are primary economic factors; money is secondary. If we have the supplies and the power to transport them, we shall use them; and if these things are created out of our own labor and materials, then the mechanism of money will arrange itself. If we lack either supplies or transportation, all the money in the world will not help us. Labor must create these things. Labor will measure our effort—labor properly applied and distributed, confined to the serious ends to be achieved—that, and that only. And it is our own labor we must use: first, because we must use *all the labor we can command*; and, next, because there is now no large reserve of labor elsewhere that our capital could draw to effective war use, even if we should try to spend our income on luxuries and live on our capital.

In the face of these obvious facts—too obvious, one would say—we go on making and selling soft drinks, chewing gum, confectionery, cigarettes, canes, jewelry, furs—a thousand unnecessary things—and at hotels we are beset by flunkeys offering useless services. Anyone can extend this list; let him only observe, in any city, what part of its various activities is directed to furnishing non-essentials, taking into account, in due measure, all of the supporting or underlying industries, the construction of plants for all, and transportation for all. After the mere fripperies and luxuries, come articles necessary in various degrees, but of which a full supply during the war is not necessary. Our present supply of musical instruments (non-martial), for instance, would no doubt serve well enough for several years.

It is sometimes said that in many, or most, of the essential industries there is no keen demand for labor, therefore no labor shortage exists. The branches of industry are so far inter-dependent that an acute and immediate want of labor can not be felt in every branch at once. The more unsymmetrical the expansion of industry, the more uneven the demand for labor. For example, more coal miners are not wanted at the moment, not because there is enough coal, but because the railroads, yet more lacking in what they need than the mines, can not haul more. Shortage of coal, in turn, limits the labor demand of many industries.

All this is somewhat aside from the point; there is nothing tending to show that the essential industries could not be expanded

gradually and in due proportion by the infusion of labor from other sources. Transportation, released from its service to luxury, would add by so much to its useful capacity, even with its present plant and labor. Since the railway system cannot be expanded readily, such curtailment of non-essential traffic promises some very necessary relief. The tonnage added in necessities, however, would outweigh, after a while, the tonnage curtailed in luxuries. The railways will need their full share of the labor released and to have their capacity increased as much as possible, for they are likely, at best, to limit industrial expansion.

The redistribution of labor can not safely be left to come about through the general practice of economy, though it is well to urge that. It is better to force economy by making it difficult or impossible to buy luxuries. With many people, perhaps with most, the only sufficient motive for economy is hard necessity. Many would always have money to waste. Maximum price fixing, applied to necessities only, will probably retard the movement toward economy. So long as it does not fail through checking production, it diminishes the motive for saving that high prices give; moreover, it may handicap the producer of necessities in competing for labor with the maker of luxuries. This may be thought doubtful ground. The certainty is that time is lacking for a natural adjustment. Correct distribution of labor lays the foundation for great military effort, above all, in such a part as the United States has to play, predominantly economic, reinforcing its allies in their own economic life. It must be begun long before the full impact of the nation can be felt on the battlefield; the more so because, in order to prevent much hardship and waste of labor, the change must be made gradually on well-considered plans.

The redistribution of labor, then, should be accelerated and extended by law. Perhaps the best method would be direct restriction of the employment of labor, especially male labor, in non-essential industries. Other restrictions may be found useful, either alone or combined with this. Different industries may require some difference of method. The restrictions should probably be made somewhat progressive in their force. These are mere suggestions. The experience of other belligerents should be fully consulted.

The process of change will entail some inconvenience and loss, but it is necessary at the price. The reverse adjustment after the war can be left to take its own course, but as to luxuries, it might well be somewhat retarded by regulation. This change would necessarily be slower and more restricted in its scope than the war change, for the war will end, as already stated, with a great depletion of useful stocks throughout most of the world, and with much that is wasted to repair. We should apply a large part of our labor to this work rather than to making luxuries for ourselves; besides, we shall have heavy taxes to pay.

Whatever it may cost to change industry to a war basis, it will cost less to the real permanent wealth of the nation than to go on as we are going, or to attempt to do that as long as possible. In one case we shall lose during a period of adjustment, because labor cannot be shifted to new occupations without some waste in time, in skill, and in equipment. In the other case we shall lose always, because a large part of our labor is spent in providing things that we consume without need, instead of producing those we need most. The permanent value of some articles of luxury is, of course, admitted; most of ours are not such. It will be objected that to make munitions of war is to turn labor from productive to destructive ends. A "productive end" may be taken as one that fits the important needs of the times; war material is such now to the extent that we may need it. It has been taken for granted that our war effort, properly distributed, can not supply munitions beyond what is needed to assure victory, and that we are willing to pay the price of that assurance. It is at least doubtful that a stable peace will be so sure at the end of this war as to make a good stock of munitions of war worth less than the luxuries that we might have had in their stead. There will be an early readjustment of the industries producing munitions but the labor released should not go to add to the output of luxuries.

The restrictions proposed, applied chiefly to male labor, would accelerate the infusion of female labor and increase our labor resources faster than would otherwise be possible, avoiding at the same time too rapid curtailments. This is an important phase of the subject. Female labor is not coming into industry fast enough in this country.

As to objections, it should hardly be necessary to touch further on the curious theory that financial strength can be maintained only by continuing to spend freely all of our substance, so that we may make war loans. The cost of readjustments has been considered.

One point remains: it is said that we must make articles of luxury to exchange with other countries for essentials. Of many of our products this can hardly be true in any important degree. Our export of articles of luxury is small compared with our own consumption. What proportion of our "soft drinks," for instance, is consumed in neutral countries, and what essentials do we get in exchange? In any case of proved necessity, could we not limit sales within the United States, while giving export business such support as might be needed? Such cases would seem to be too few to be stretched into a reason for complete *laissez faire*.

The needless warnings against "hysterical economy" furnish a close parallel to those against "hysterical" advocacy of military preparation. We begin to see now how far we have been from too much speed in that matter. If, in the end, we have to say "too late," or "too little" about our industrial mobilization, it will be very serious. It is as impossible for a nation as for an individual to do the utmost for some supreme purpose without leaving some ordinary things undone. If we will not do this, our wealth of national resources will be a bank on which we can not draw.



